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DEPARTMENT FOR PM/DDTC - BLUE LANTERN COORDINATOR

SIPDIS

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [RS](#)
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK ON
APPLICATION 050118911

REF: STATE 89919

¶1. (U) Summary: Diagnost representatives told us they plan to purchase the reftel item to use as a demonstration model for prospective customers, including Zenit. Diagnost was established in 1991 and the five original owners still run the company. Diagnost operates as a broker of monitoring and control equipment, purchasing goods from the U.S. and Europe and selling them to companies located mostly in the Russian Federation. These companies include steel mills and aluminum plants, among others. The only role Zenit will play in this transaction is that of potential customer. Post verified the bona fides of Diagnost and recommends it as a reliable end-user of United States Munitions List (USML) items. End Summary.

¶2. (U) In a September 11 meeting, Diagnost Director Aleksandr Kozlov and Sales Manager Dmitriy Cheredeyev told us their company has been in business since 1991. They are co-owners of the company, along with Mikhail Petrevshenkov, Aleksandr Sergeyev, and Gennadiy Yasinovskiy. Diagnost is a limited-liability corporation.

¶3. (U) Diagnost operates as a broker of monitoring and control equipment. It imports equipment from U.S. companies such as Mikron and European companies such as Chauvin-Arnoux of France and Ion Science Innovation of the United Kingdom. It deals in items such as infrared radiometric cameras, ultrasonic sensors, electronic measuring devices, and the like. Diagnost's customers typically include steel mills, aluminum plants, oil and gas companies, and power stations all over Russia, as well as in Ukraine, Belarus and Kazakhstan.

¶4. (U) Diagnost does possess supporting documentation, including purchase orders, for this transaction. Diagnost plans to use this Hotshot HD-XT Predictive Maintenance Camera System (FLIR) strictly as a demonstration model to show to potential customers. If the customers would like to buy the item, Diagnost would then order another example of the item from Electrophysics Corp. and sell it to the customer. Diagnost does not own a large warehouse or storage facility. Instead, it purchases items from foreign sellers only after it has an order from a customer. Goods waiting for distribution are kept in the company's office, which is located inside a guarded building.

¶5. (U) Zenit was listed on the Blue Lantern application simply as a potential customer. Diagnost plans to show the item to Zenit; Zenit will not actually use the item listed on the reftel application.

¶6. (U) Diagnost understands the restrictions on USML items, especially the prohibition against unauthorized re-transfers and re-exports. Post verified the bona fides of Diagnost and recommends it as a reliable end-user of USML items.

BEYRL